

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 18, 2003



(Exact name of registrant as specified in charter)

Ohio

0-850

34-6542451

(State or other jurisdiction of
incorporation)

Commission File Number

(I.R.S. Employer Identification No.)

127 Public Square, Cleveland, Ohio

44114-1306

(Address of principal executive offices)

(Zip Code)

Registrant’s telephone number, including area code: (216) 689-6300

Item 7. Financial Statements and Exhibits

(c) Exhibits

99.1 The Registrant’s July 18, 2003, press release announcing its earnings results for the three- and six-month periods ended June 30, 2003.

Item 9. Regulation FD Disclosure and Information Furnished under Item 12 (Disclosure of Results of Operations and Financial Condition)

On July 18, 2003, the Registrant conducted a conference call/webcast to discuss its quarterly earnings and currently anticipated earnings trends. The slide presentation reviewed by the Registrant in the conference call/webcast follows as Annex A to this Item 9.

On July 18, 2003, the Registrant issued a press release announcing its earnings results for the three- and six-month periods ended June 30, 2003. This press release, dated July 18, 2003, is attached as Exhibit 99.1 to this report and is being filed pursuant to Item 12 of Form 8-K as directed by the Securities and Exchange Commission in Release No. 34-47583 and shall be incorporated by reference into the Registrant’s filings under the Securities Act of 1933 and the Securities Exchange Act of 1934, as appropriate.

Second Quarter 2003 Review

July 18, 2003

Speakers: Henry Meyer
Jeff Weeden



PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995
FORWARD-LOOKING STATEMENT DISCLOSURE

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The conference call and discussion, including related questions and answers, and presentation materials, contain forward-looking statements about issues like anticipated third quarter and full-year 2003 earnings, anticipated level of net loan charge-offs and nonperforming assets and anticipated improvement in profitability and competitiveness. Forward-looking statements by their nature are subject to assumptions, risks and uncertainties. Actual results could differ materially from those contained in or implied by such forward-looking statements for a variety of factors including: changes in interest rates; continued weakness in the economy, which could materially impact credit quality trends and the ability to generate loans; failure of the capital markets to function consistent with customary levels; delay in or inability to execute strategic initiatives designed to grow revenues and/or manage expenses; consummation of significant business combinations or divestitures; new legal obligations or restrictions or unfavorable resolution of litigation; further disruption in the economy or the general business climate as a result of terrorist activities or military actions; and changes in accounting, tax or regulatory practices or requirements.



Strategic Overview

- Revenue growth
- Improved asset quality
- Growth in core deposits
- Continued focus on expenses
- NewBridge acquisition

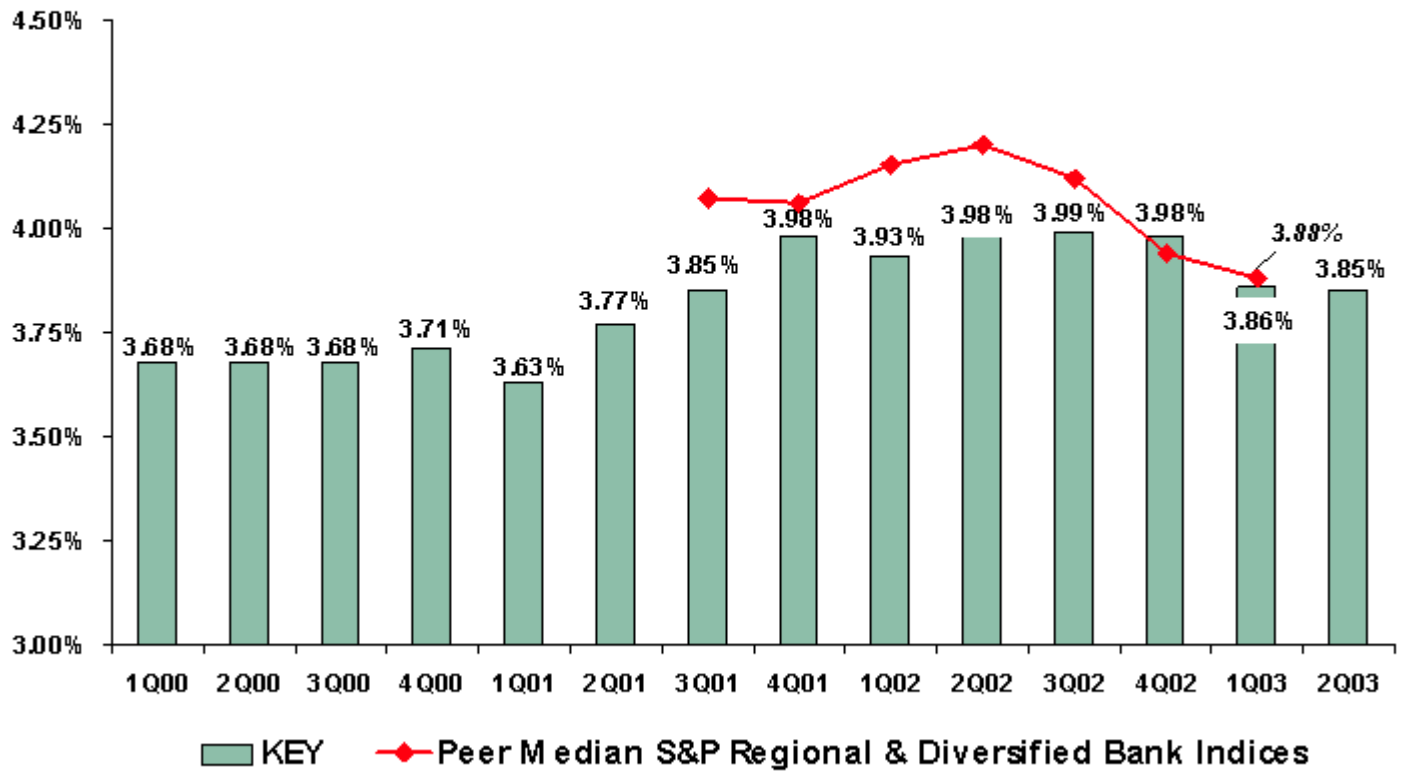


Financial Summary - 2Q03

- **EPS of \$0.53**
- **Revenue up \$52 million from 1Q03**
- **Average core deposits up 9% annualized**
- **Net charge-offs and NPLs down**
- **Repurchased 3 million shares**

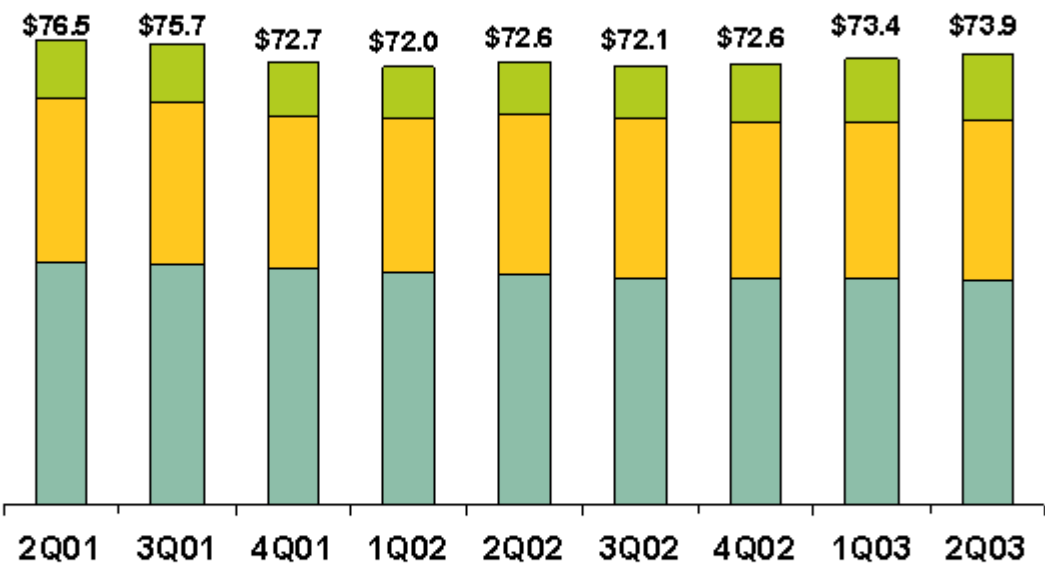


Net Interest Margin (TE)



Average Earning Assets

in billions

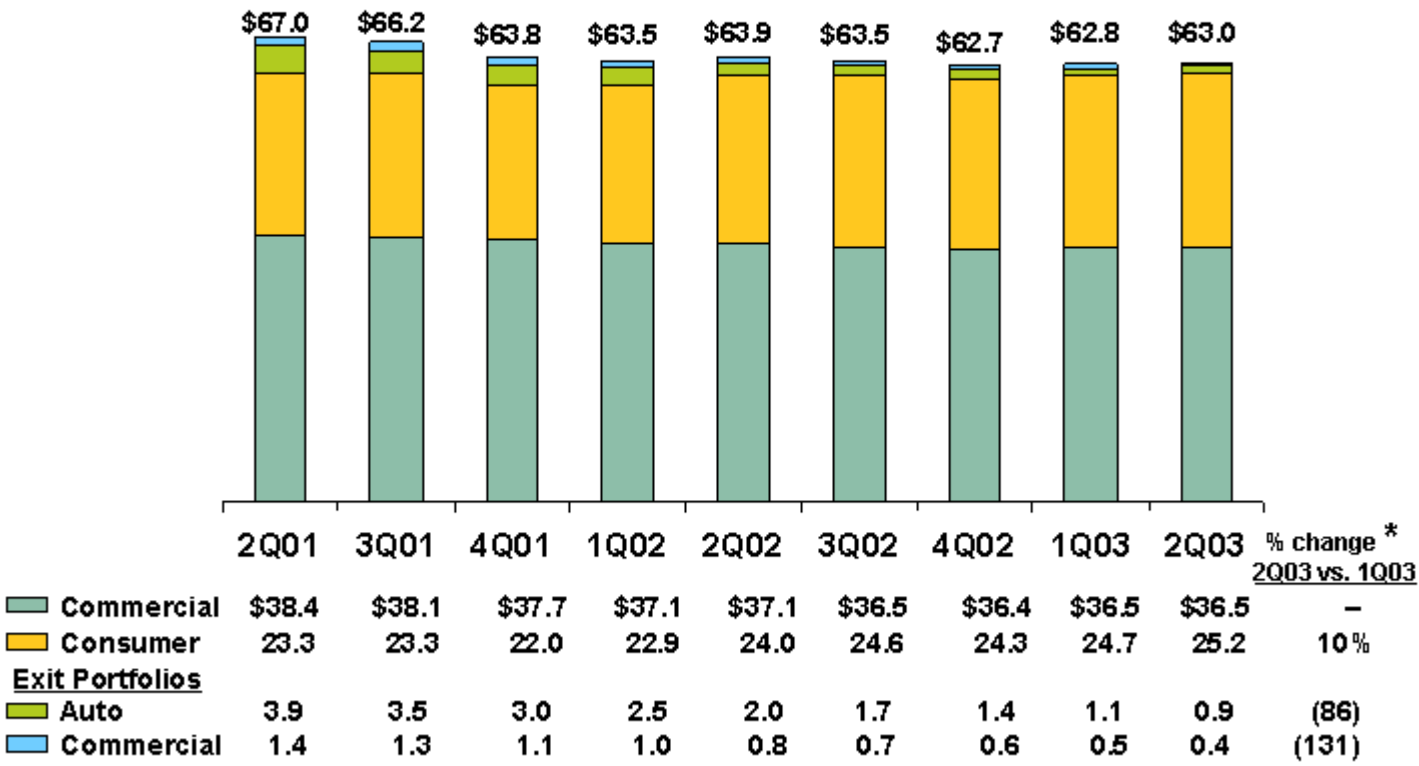


| | | | | | | | | | |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Commercial | \$39.8 | \$39.4 | \$38.8 | \$38.1 | \$37.9 | \$37.2 | \$37.0 | \$37.0 | \$36.9 |
| Consumer | 27.1 | 26.8 | 25.0 | 25.4 | 26.0 | 26.3 | 25.7 | 25.8 | 26.1 |
| Investments | 9.6 | 9.5 | 8.9 | 8.5 | 8.7 | 8.6 | 9.9 | 10.6 | 10.9 |



Average Loans

in billions

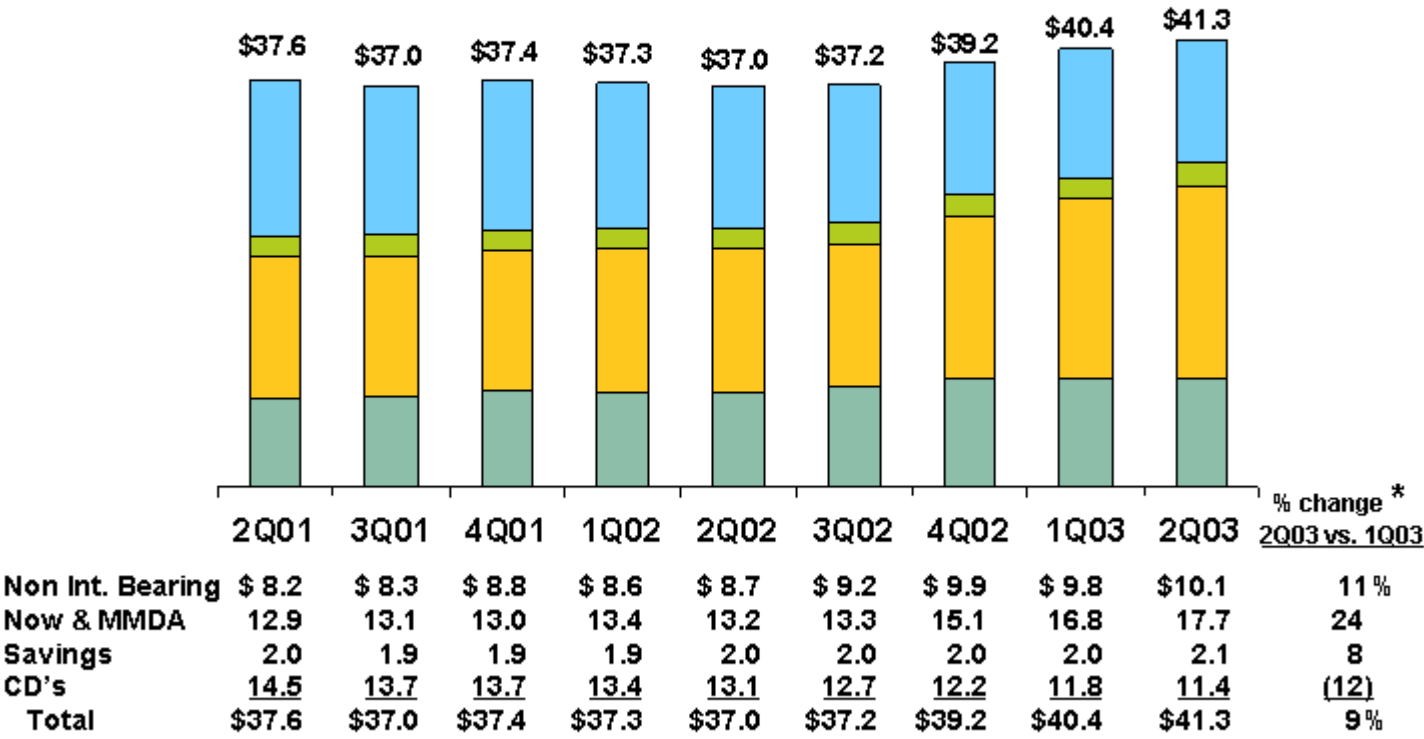


* Annualized



Average Core Deposit Growth

in billions



* Annualized



Noninterest Income 2Q03 vs. 1Q03

in millions

| | |
|-------------------------|-------|
| Noninterest Income 1Q03 | \$397 |
|-------------------------|-------|

| | |
|--------------------------------------|----|
| Investment Banking & Capital Markets | 19 |
|--------------------------------------|----|

| | |
|------------------------------|---|
| Letter of Credit & Loan Fees | 9 |
|------------------------------|---|

| | |
|-----------------|---|
| All other – net | 9 |
|-----------------|---|

| | |
|-------|----|
| Total | 37 |
|-------|----|

| | |
|-------------------------|-------|
| Noninterest Income 2Q03 | \$434 |
|-------------------------|-------|



Noninterest Expense 2Q03 vs. 1Q03

in millions

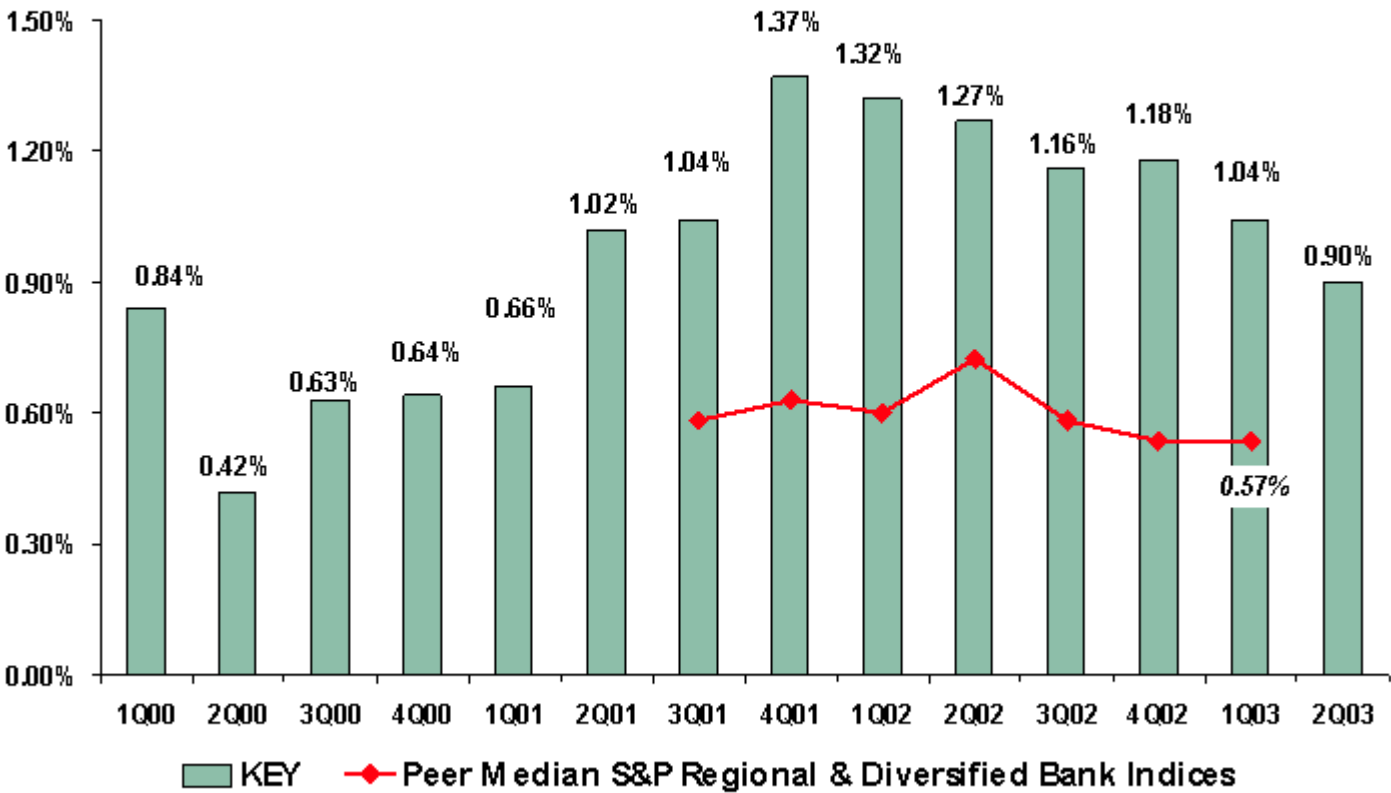
| | |
|--------------------------|-------|
| Noninterest Expense 1Q03 | \$657 |
|--------------------------|-------|

| | |
|-------------------|----|
| Personnel | 8 |
| Marketing | 8 |
| Professional Fees | 7 |
| All other – net | 8 |
| Total | 31 |

| | |
|--------------------------|-------|
| Noninterest Expense 2Q03 | \$688 |
|--------------------------|-------|



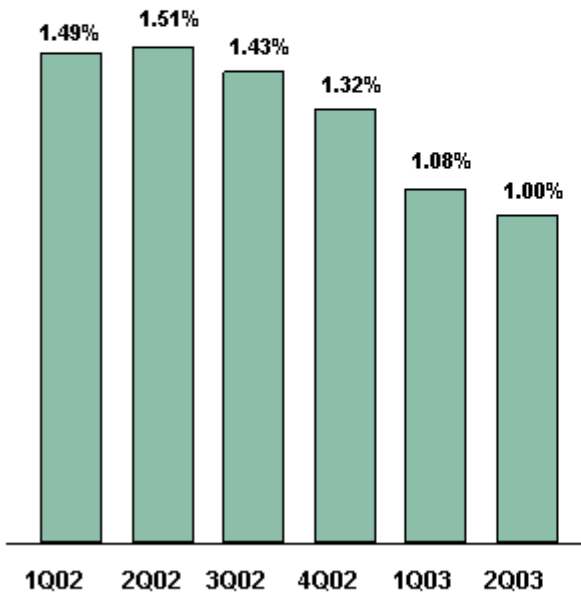
Net Charge-Offs to Average Loans



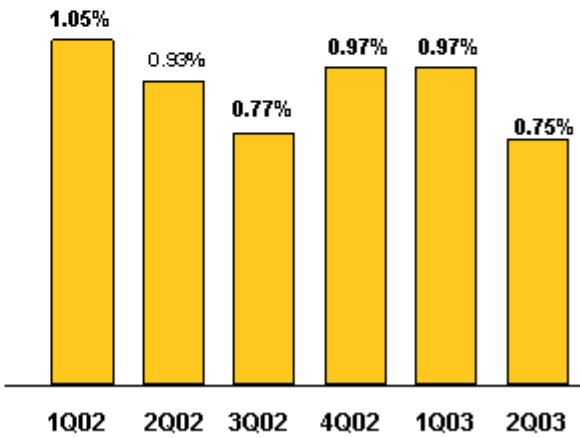
Net Charge-Offs to Average Loans

by Loan Type

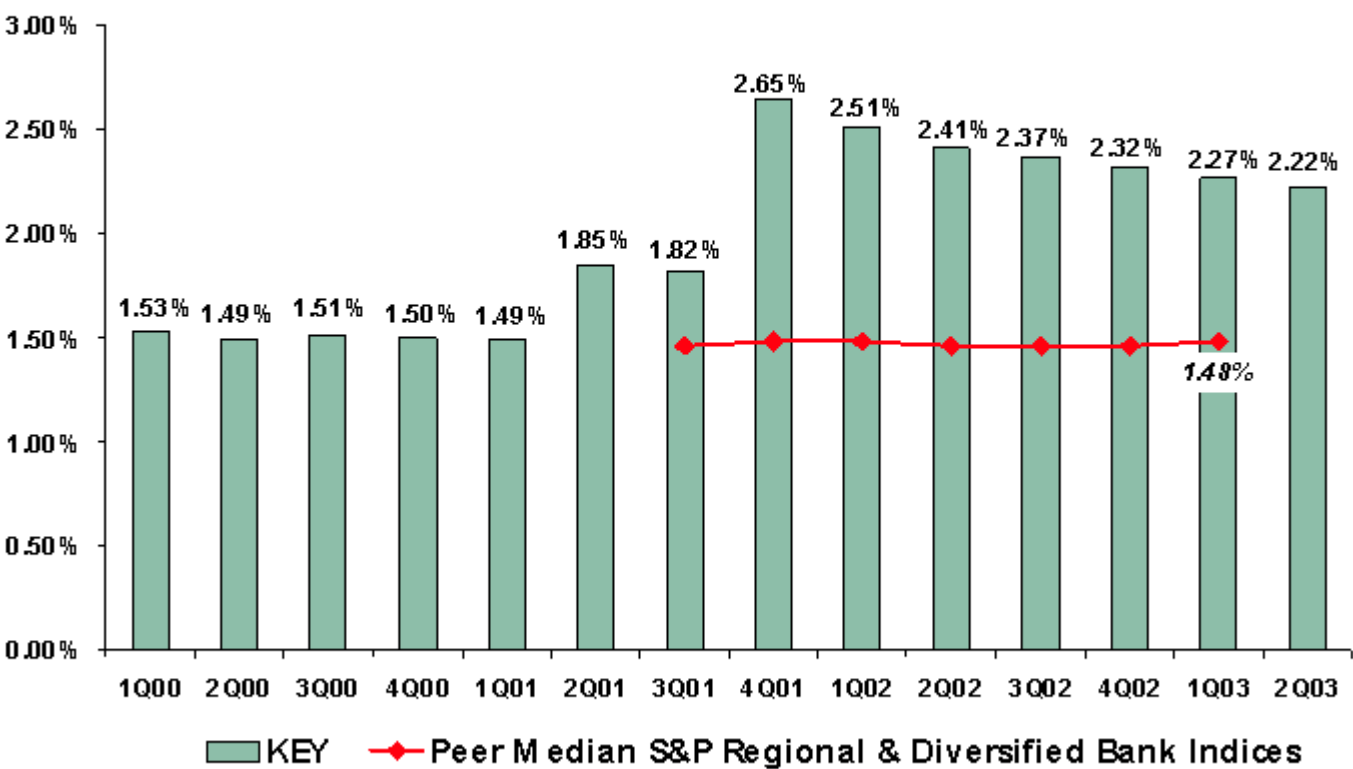
Commercial



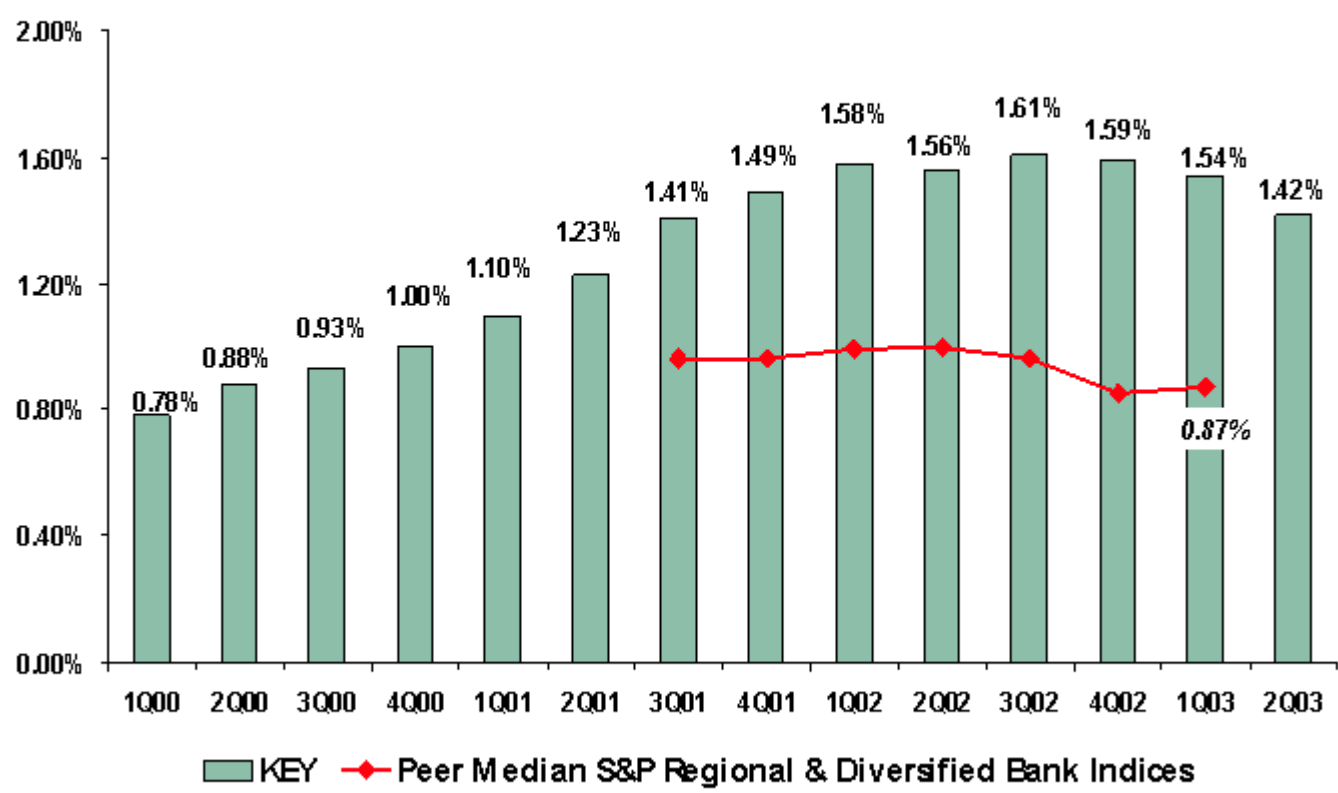
Consumer



Allowance to Total Loans



NPAs to Loans and OREO



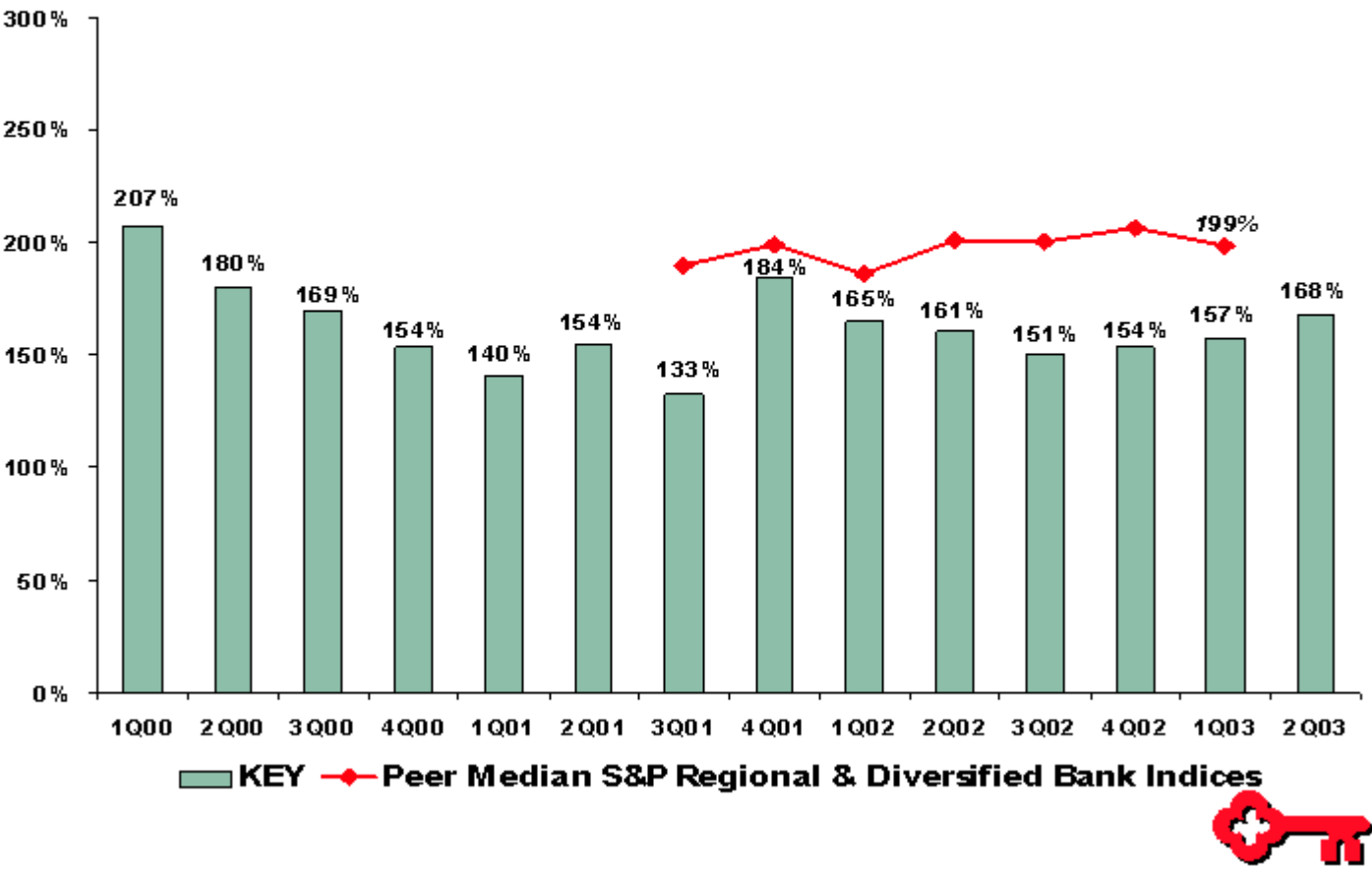
Nonperforming Loans - Flow Analysis

in millions

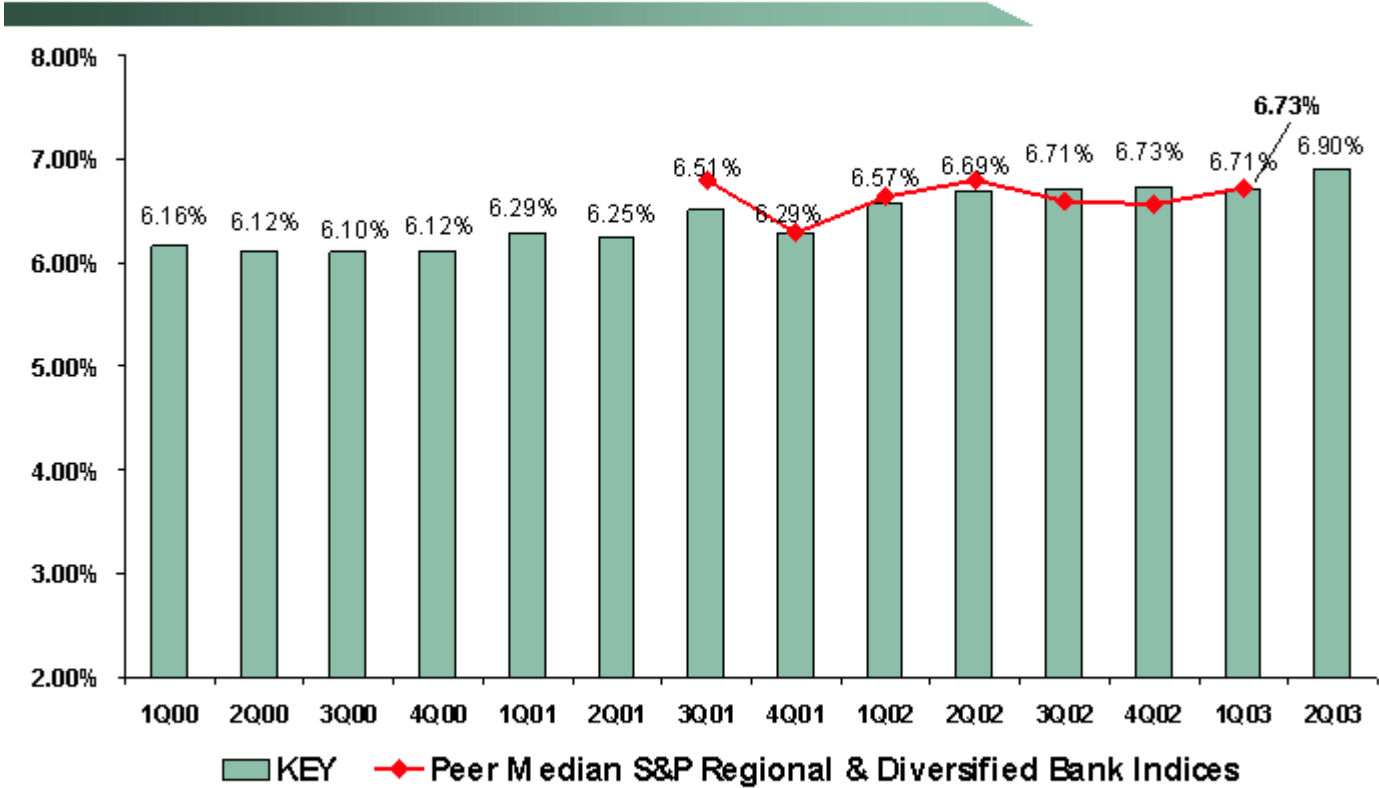
| | <u>2Q02</u> | <u>3Q02</u> | <u>4Q02</u> | <u>1Q03</u> | <u>2Q03</u> |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| NPLs beginning of period | \$973 | \$957 | \$987 | \$943 | \$904 |
| Loans placed on nonaccrual status | 254 | 281 | 339 | 237 | 168 |
| Charge-offs | (203) | (185) | (186) | (161) | (141) |
| Loans sold | (18) | (25) | (36) | (23) | (42) |
| Payments | (49) | (41) | (149) | (58) | (26) |
| Transfers to OREO | -- | -- | -- | (19) | (1) |
| Loans returned to accrual status | -- | -- | (13) | (15) | (25) |
| Acquisition | -- | -- | 1 | -- | -- |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| NPLs end of period | \$957 | \$987 | \$943 | \$904 | \$837 |



Allowance to NPL



Tangible Equity to Tangible Assets



2003 Outlook

- **Challenging revenue environment**
 - Net interest margin pressure
 - Flat to very modest loan growth
 - Improving climate for fee-based businesses
- **Continued focus on expenses**
- **Asset Quality – stable to improving**



SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KEYCORP

(Registrant)

Date: July 18, 2003

/s/ Lee Irving

By: Lee Irving
Executive Vice President
and Chief Accounting Officer